

FERN-HOWARD LTD.

GENERAL CONDITIONS OF SALE

1. GENERAL

In these General Conditions of Sale the "Company" means Fern Howard Ltd, the "goods" means any item of whatsoever nature which is to be sold or supplied by the Company including services, the "Purchaser" means the person firm or body corporate which buys or has agreed to buy the goods. These General Conditions of Sale shall apply to and form part of every contract of sale entered into by the Company. All orders are accepted and executed on the understanding that the Purchaser is bound by these General Conditions of Sale. Where there is any inconsistency between these General Conditions of Sale and any conditions which the purchase seeks to impose, these general Conditions of Sale shall prevail. No contract of sale shall come into being unless and until the Purchaser has accepted these General Conditions of Sale either expressly or by implications.

2. LIMITS OF CONTRACT

The contract includes only such goods, accessories and works as are specified in the quotation or acknowledgement accompanying these General Conditions of Sale.

3. PRICES

a) The price payable for goods shall unless otherwise stated by the Company in writing be the list price of the Company current at the date of dispatch and in the case of an order for delivery by installments the price payable for each installment shall be the list price of the Company current at the date of dispatch of such installment.

b) Unless otherwise expressly stated to be firm for a period, the Company's prices are subject to variation to take into account variations in wages, materials and other costs. The Company accordingly reserves the right to adjust the invoice price without notice by the amount of any increase or decrease in such costs after the price is quoted.

c) All prices are exclusive of Value Added Tax and this will be charged at the applicable rate and recoverable by the Company from the Purchaser in addition to the price.

4. PAYMENT

a) Unless otherwise agreed in writing, payment is due in full on delivery. Where the Purchaser is to collect the goods or the Purchaser wrongfully fails to take delivery of the goods, the Company shall be entitled to invoice the Purchaser for the price at any time after the Company has notified the Purchaser that the goods are ready for collection or (as the case may be) the Company has tendered delivery of the goods. The company (in its absolute discretion) may not enforce payment for a period of 30 days after delivery.

b) Where the Contract provides for delivery in installments each installment shall be considered as a separate contract of sale.

c) Time for payment shall be of the essence of the contract.

d) Without prejudice to any other rights it may have the Company is entitled to charge interest at 4% above the current base rate of Lloyds Bank Plc on overdue payments of the price of the goods or the price of any installment or partial delivery thereof. If the Company has exercised its discretion under the Clause 4(a) above then it may (in its absolute discretion) waive its right to interest for a period of 30 days after delivery.

e) Additionally and without prejudice to its other rights the Company shall be entitled to recover all direct expenses reasonably incurred by the Company in collecting or attempting to collect amounts of the price outstanding.

f) If the Purchaser fails to make any payment when due in accordance with these General Conditions of Sale, the Company reserves the right in its absolute discretion and without prejudice to any of its other rights or remedies to suspend all further deliveries until such payment has been made in full or, at the Company's option, to cancel the balance of the order. In either case the Company shall hold the Purchaser liable for costs incurred in respect of goods in course of manufacture or ready for dispatch.

g) If the Purchaser fails to make any payment on the due date then, without prejudice to any other right or remedy available to the Company, the Company shall be entitled to appropriate any payment made by the Purchaser to such of the goods (or the goods supplied under any other contract between the Purchaser and the Company) as the Company may think fit (notwithstanding any purported appropriation by the Purchaser)

h) The Company shall be entitled to bring an action for the price or part thereof whether or not the property in the goods has passed.

i) The purchaser shall have no right of set off statutory or otherwise.

5. CREDIT

Any contract shall be subject to the Company being satisfied as to the Purchaser's credit references, and without prejudice to the generality of the foregoing, the Company may (in its absolute discretion), having informed the Purchaser that the goods are ready for dispatch, refrain from delivering the goods until such time as the Purchaser tenders the purchase money to the Company together with any outstanding amounts which may be due to the Company on any account whatsoever.

6. CARRIAGE

a) Where the value of any order exceeds £300 or such other amount notified by the Company to the Purchaser from time to time the cost of delivery of the goods to the Purchaser's premises on the mainland of Great Britain shall be included in the contract price.

b) In all other cases the prices are exclusive of carriage and insurance to the Purchaser's premises.

7. PACKING

Where it is necessary to dispatch goods in crates, cases, pallets, stillages or skids or other such packing, a charge will be made for this. Unless otherwise specified this amount will be credited in full on the return, within one month, of such crates, skids, stillages and pallets etc in good condition carriage paid. No charge is made for any other form of packaging and no credit will be allowed for its return.

8. LOSS OR DAMAGE IN TRANSIT

When the price quoted includes delivery further to Clause 6(a) the Company shall repair or replace free of charge goods damaged in transit or not delivered in accordance with the Advice Note provided that the Company is given written notification of such damage or non delivery within such time (being not more than seven days) as will enable the Company to comply with the carrier's conditions of carriage as affecting loss or damage in transit, or, where delivery is made by the company's own transport, within seven days after receipt of the Advice Note. Notwithstanding the above undertaking, the Company will only consider claims for alleged shortage if they are received within seven working days or the receipt of the goods by the Purchaser together with sufficient information to enable the Company properly to identify the shortage including the Advice Note number, case number and condition of case.

9. SAMPLES

Unless otherwise expressly agreed between the parties samples submitted with the Company's quotation or at the Purchaser's request must be returned within ninety days of receipt and the Company shall be entitled to charge for them if they are not so returned.

10. DELIVERY

a) Delivery of the goods shall be made at the Purchaser's place of business or such other place as advised by the Purchaser in writing.

b) Unless stated to the contrary in the Purchaser's order and accepted by the company in writing all times or dates for delivery of the goods are given in good faith but are approximate only and shall not be of the essence of the contract.

c) All times or dates of delivery shall be calculated from the date of acceptance by the Company of the order of the Purchaser, or from the date of receipt by the Company from the Purchaser of all information, instructions and drawings as shall be necessary to enable the Company to carry out the order, whichever shall be the later.

d) Unless otherwise stated in writing the Company shall be entitled to make partial deliveries of the goods.

e) If a firm delivery date or schedule of firm delivery dates has been agreed under the contract between the Company and the Purchaser, and if there is any delay in delivery for any cause within the reasonable control of the Company, and if as a result of such delay the Purchaser shall have suffered any loss, the purchaser shall as liquidated and ascertained damages and in substitution for all other rights of the Purchaser in respect of the said delay be entitled to deduct from the payment due in respect of the portion of the goods the subject of the delay 15% of the value of such payment for each week by which delivery is delayed subject to a maximum of 15% thereof.

11. VARIATION

a) The Company shall be under no obligation to alter or vary any part of the contract of any work connected therewith. Any alteration to or addition to or amendment or other variation of the specification, including any increase or decrease in the quantity of the goods or any alteration to any drawings or to the quality, performance, weight or measurements of any goods or any alteration or variation of advised delivery schedules, shall, if requested by the Purchaser, be subject to the agreement of the Company, with such alteration or addition to the price and to delivery dates or schedules as may be required by the Company, and shall not be binding upon the Company unless and until accepted by the Company in writing.

b) In the event of any variation or suspension of the work by the Purchaser's instructions or lack of instructions the Company shall be entitled to adjust the contract price to reflect any additional costs incurred, and to adjust delivery dates or schedules.

12. STORAGE

If the Company does not receive forwarding instructions sufficient to enable it to dispatch the goods within fourteen days after notification that the goods are ready for delivery or that they have been tested under Clause 14, the Purchaser shall thereupon take delivery or arrange for storage. If the Purchaser does not take delivery or arrange for storage as aforesaid, the Company shall be entitled to invoice and be paid for the goods as though the goods had been duly delivered in accordance with these General Conditions of Sale and the Company may arrange storage either at the Company's own works or elsewhere on the Purchaser's behalf and all charges incurred by the Company as a result of such delay including storage and insurance shall be payable by the Purchaser.

13. PERFORMANCE

Any data, technical information or performance figures provided by the Company are based on tests performed under standard conditions at the Company's premises. They are believed to be accurate but cannot be guaranteed under different conditions.

14. INSPECTION AND TESTS

The Company's products are carefully inspected and, where practicable, submitted to its standard tests at the Company's works before dispatch. If tests other than those specified or tests in the presence of the Purchaser or its representatives are required, these will be charged for. In the event of any delay on the Purchaser's part in attending tests after the Purchaser has received 7 days notice that the Company is ready to perform the tests, the tests will proceed in the Purchaser's absence and the Purchaser accordingly hereby agrees to accept and pay for such tests as if they had been performed in the Purchaser's presence.

15. DESCRIPTIVE MATTER AND ILLUSTRATIONS

All descriptions and illustrations and particulars of weights and dimensions issued by the Company in catalogues, price lists, advertising matter and forwarding specifications are by way of general descriptions and approximate only, and shall not form part of any contract or give rise to any liability on the part of the Company. The Company reserves the right to make any change in the specification of the goods which are required to conform with any applicable statutory or

EC requirements.

It is the policy of the Company to endeavour to develop and improve its products, and accordingly the Company reserves the right to change all specifications without prior notification or public announcement pursuant to such policy. Provided that nothing in this Clause shall oblige the Purchaser to accept goods which do not reasonably comply with the contract.

16. WARRANTY

a) The Company will make good by repair, or at the Company's option by the supply of a replacement, defects which, under proper storage and use appear in the goods within the period of twelve calendar months after the goods have been delivered and arise solely from faulty design (other than design made or furnished by the Purchaser), materials or workmanship.

b) The Company's liability under this clause shall be in lieu of any warranty or condition implied by law as to the quality or fitness for any particular purpose of the goods, and save as provided in this clause the Company shall not be under liability by reason of any representation (unless fraudulent), or whether in contract, tort or otherwise, in respect of defects in goods delivered or for any injury (other than personal injury caused by the Company's negligence as defined in section 1 of the Unfair Contract Terms Act 1977), damage or loss resulting from such defect or from any work done in connection therewith. Provided however that nothing in this clause shall operate to exclude any warranty or condition implied by law as to the quality of the goods in the event that the goods when sold by the Purchaser or when sold by any person or persons to whom the Purchaser may sell the goods shall become the subject of a consumer sale as defined in the Sales of Goods Act 1979, or any statutory re-enactment of modification thereof except to the extent that any claim under such warranty or condition shall have arisen from any act or omission by the Purchaser or by any other person or persons selling the goods by way of a consumer sale.

c) The Warranty given in this Clause is subject to the following provisions, namely;

i. That the Purchaser shall have followed all instructions issued by the Company in relation to the goods;

ii. That in the case of defects which would have been reasonably apparent to the Purchaser on reasonable examination of the goods on delivery, the Purchaser shall notify the Company of the defects in writing within fourteen working days of delivery.

iii. That in the case of any other defects, the Purchaser shall notify the Company of the defects in writing within seven working days of the date when the defect becomes apparent;

iv. That where in discharge of its obligation under the Warranty given in this Clause that Company agrees that the Purchaser may undertake any repair or remedial work on its behalf, the cost of such work shall be agreed in writing between the Purchaser and the Company before the commencement of any such repair or remedial work;

v. The Company shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the goods has not been paid by the due date for payment;

vi. The above warranty does not extend to parts, materials or equipment not manufactured by the Company, in respect of which the Purchaser shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to the Company; vii. In no event shall the Purchaser be entitled to reject the goods on the basis of any defect or failure which is so slight that it would be unreasonable for him to reject them.

17. REJECTION

Unless otherwise agreed in writing, and subject to Clause 16 hereof, goods rejected as not complying with the contract must be rejected within fourteen working days of delivery to the Purchaser's premises or to such other place as the Purchaser shall have specified.

18. RETURN OF GOODS

In no circumstances may goods supplied against a firm order be returned without the Purchaser having first applied for and obtained the written consent of the Company. A handling charge may be deducted from any credit allowed by the Company where it is established that the reason for the return of goods was not the subject of Clause 8 hereof or due to any error on the part of the Company.

19. PATENTS

The purchasers will indemnify the company against all damages penalties costs losses and expenses suffered by the Company or for which it may become liable in respect of the infringement of any intellectual property including (but without limitation) any patent copyright registered design trade mark, trade name or know how arising out of the Company's manufacture of goods in accordance with any specification design drawings or other data supplied by the Purchaser or its servants or agents.

20. COPYRIGHT

All drawings descriptions and other information submitted by the Company including those altered to meet the specification of the Purchaser, together with the copyright therein, shall remain the property of the Company.

21. FORCE MAJEURE AND OTHER CIRCUMSTANCES

The Company shall be entitled without liability on its part and without prejudice to its other rights, to terminate the contract or any unfulfilled part thereof, or at its option to suspend or make partial deliveries or extend the time or times for delivery, if the manufacture of the goods by the Company or the Company's suppliers, or the delivery of the goods or the performance by the Company of any of its obligations under the contract is hindered or delayed whether directly or indirectly by reason of the Purchaser failing to furnish necessary instructions or information, or by war or other hostilities, civil commotion, act of God, government action or legislation, interruption of transport, strike, lock out or other form of industrial action (including, without limitation, labour disputes with the Company's or any sub-contractors employees), accidents or stoppages to works, shortage of labour materials equipment fuel or power, breakdown of machinery or any other cause whatsoever

beyond the reasonable control of the Company or its sub-contractors, whether or not such cause exists at the date of the order.

22. PASSING OF PROPERTY AND RISK

a) The risk of loss of goods shall pass to the Purchaser on delivery. The property of the goods shall not pass to the Purchaser until the Company has received in cash or cleared funds payment in full of the price of the goods and all other goods agreed to be sold by the Company to the Purchaser for which payment is then due.

b) In respect of goods which have been not paid in full :-

i. The Purchaser will hold the goods in a fiduciary capacity for the Company as bare trustee and keep the goods properly protected and insured.

ii. The Purchaser shall store the goods separate from other goods and mark the same as the company's property or otherwise store them in a manner which indicates the Company's ownership of the goods.

iii. The Purchaser will allow the Company to repossess the Company's goods on demand and for this purpose grants the Company an irrevocable right, by the Company's servants, agents or otherwise and by whatever means the Company deems necessary, to enter at any reasonable hour upon any or all of the Purchaser's premises or any other premises where the Company's goods are kept in respect of which the Purchaser is able to grant such a right of entry. The Company shall be entitled, where the goods have been fixed or attached to any other product, to detach the goods in order to gain possession of them. Such redelivery or retaking of possession shall be without prejudice to the obligation of the Purchaser to purchase the goods.

iv. Subject to the Company's approval of the re-sale price and any terms or conditions of an individual sub-sale the Purchaser may sell the goods to third parties but in so doing the Purchaser shall be acting on the Company's behalf as bare trustee and agent for the Company and any such sub-sale to another party shall not be a sale in the ordinary course of the Purchaser's business. The company shall be entitled to the whole of the proceeds of any such sub-sale and the Purchaser shall pay the same into a separate bank account and account for the same to the Company. The Company may at the Company's discretion pay the Purchaser a commission on such re-sale not exceeding the difference between the Company's price to the Purchaser of the goods and the re-sale price.

v. The Company shall be entitled to the benefit of any claims the Purchaser may have against a sub-buyer in respect of the goods.

23. INSOLVENCY OF PURCHASER

a) This clause applies if:-

i. The Purchaser becomes insolvent or makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or

ii. an encumbrancer takes possession, or a receiver or administrative receiver is appointed, of any of the property or assets of the Purchaser, or

iii. the Purchaser ceases, or threatens to cease to carry on business; or

iv. the Company reasonably apprehends that any of the events mentioned above is about to occur in relation to the Purchaser and notifies the Purchaser accordingly.

b) If this clause applies then, without prejudice to any other right or remedy available to the Company, the Company shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Purchaser, and if the goods have been delivered but not paid for, the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

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24. ARBITRATION

If at anytime any question, dispute or difference whatsoever shall arise between the Purchaser and the Company upon or in relation to or in connection with the contract, either party may give the other notice in writing of the existence of such question, dispute or difference and the same shall be referred to the arbitration of a person to be mutually agreed upon, or failing agreement within 30 days of receipt of such notice, of some person appointed by the President for the time being of the Institution of Electrical Engineers in Great Britain. A submission to arbitration under this Clause shall be deemed to be a submission to a sole arbitrator pursuant to the Arbitration Act 1950 or any statutory modification or re-enactment thereof. Any such arbitration shall be held in London, England.

25. LAW

All contracts to which these General Conditions of Sale apply shall be governed by and construed in accordance with English Law.

26. SERVICE OF NOTICES

Any notice required or permitted to be given by either party to the other under these conditions shall be in writing addressed to the other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provisions to the party giving the notice.

27. WAIVER

No waiver by the Company of any breach of the contract by the Purchaser shall be considered as a waiver of any subsequent breach of the same or any other provisions.

28. INVALID PROVISIONS

If any provision of these conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the provisions of these conditions and the remainder of the provisions in question shall not be affected.